Hertz NEWS

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BIG-CITY CAR COSTS TOP NATIONAL AVERAGE BY AS MUCH AS 38%, HERTZ SURVEY FINDS

Costs to own and operate typical 1979 domestic cars varied as much as 17 cents a mile among 20 large U.S. cities last year, ranging from 44.2 cents for compact-size autos in Los Angeles to 27.2 cents in Cincinnati, a new Hertz Corporation survey showed today.

The Los Angeles figure is 38 per cent, or 12.3 cents, above an estimated 31.9 cents a mile 1979 compact car ownership and operating cost average for the country as a whole, the lease rental company reported.

The new geographic breakout of auto costs ranks New York as the second most expensive city in which to drive, with compact car operation there totaling 43.9 cents a mile last year.

Denver was third at 38.8 cents a mile, San Francisco fourth at 36.9 cents and Minneapolis fifth with 34.4 cents, the survey found. All figures are for cars purchased new, driven 10,000 miles annually and kept three years.

Hertz has reported national average auto ownership and operating expense estimates since 1973, but the new survey is the first breakout of city-by-city cost variations.

A total of 10 cities recorded outlays above the 31.9 cent national average, but only seven were lower. Besides Cincinnati, others were Detroit at 29.2 cents, Cleveland at 29.4 cents, San Diego at 30.0 cents, St. Louis at 31 cents, and Atlanta and Dallas at 31.3 cents.

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The study showed the 20-city average for sub-compacts came to 31.7 cents a mile, for compacts 33.6 cents, small mid-range models were 38.4 cents, intermediates 40.0 cents and full-size units 45.5 cents.

These major-city averages compare with previously reported country-wide averages of 30.1 cents for sub-compacts, the 31.9 cent figure for compacts, 36.5 cents for small mid-range units, 38 cents for intermediates and 43.3 cents for full-size vehicles.

Hertz said its expense estimates include costs for gasoline, oil and other service station items, maintenance, parts and repairs, licenses, fees, insurance and loan interest, plus depreciation -- the difference between a vehicle's purchase price and its anticipated resale value.

The figures do not include parking or tolls, which can vary so substantially even within the same city that they cannot be calculated realistically. Hertz' other cost estimates assume "mid-city" prices and it said suburban costs can be substantially lower.

Factors Affecting Variations

The Hertz analysis shows that such factors as insurance premiums, interest rates, sales tax percentages, vehicle delivery surcharges, per-gallon gasoline prices and maintenance labor pay scales all contribute to the 50 per cent -- or 17 cents a mile -- variation in costs among the cities surveyed.

The company stressed the importance of purchase prices -- including delivery charge and taxes -- in determining overall ownership and operating expenses, since the price of the car influences depreciation, insurance and loan costs, all major items.

The Hertz survey found purchase prices ranged from $4,939 in Detroit to $5,683 in San Francisco for identical compact models, equipped with automatic transmissions, power steering and brakes, plus air conditioning, options most people select.

The category of insurance, licenses and fees ranged from $1,663 in New York City's mid-Manhattan area to $289 in Cincinnati, while interest charges -- which also reflect the purchase price of the vehicle -- varied from 10.9 per cent a year annual rate in Pittsburgh to 14.5 per cent in San Francisco.

Maintenance and repairs were from 1.65 cents a mile in Cincinnati to 3.17 cents in Denver, and gasoline and other service station charges were 6.38 cents in Cincinnati and 7.79 cents in San Francisco.

The company noted that figures were averages for the 1979 year, not latest prices. It pointed out, for example, that per-gallon gasoline prices averaged 96.0 cents a gallon, considerably under latest posted prices in most areas.

The study also shows how individuals may estimate costs in their area for ownership periods and driving distances more or less than 10,000 miles a year for three years, which is close to the national norm.

The tables illustrate that the longer the car is kept and the greater the distance it is driven each year, the lower the per-mile costs. In the case of higher annual mileage, however, the total yearly dollar outlays amount to substantially more.

The company said that the longer ownership lowers costs because the key depreciation expense is almost always greater in the early years, less as the car ages, more than offsetting increased maintenance outlays.

Per-mile costs drop with higher annual driving distances because the fixed expenses such as insurance and interest are spread over greater mileages. Cars purchased used also usually are substantially less expensive to run, again because most depreciation takes place in the early years.

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CITY BY CITY HERTZ ESTIMATES OF COST OF DRIVING VARIOUS SIZED CARS THREE YEARS AT 10,000 MILES A YEAR

City	Sub-Compact	Compact	Small Mid-Size	'Intermediate'	Full-Size
Atlanta	29.47¢	31.27¢	35.70¢	37.18¢	42.38¢
Boston	30.13	31.97	36.50	38.02	43.33
Chicago	31.14	33.04	37.73	39.29	44.78
Cincinnati	25.67	27.24	31.10	32.39	36.92
Cleveland	27.74	29.44	33.62	35.01	39.90
Dallas	29.53	31.34	35.78	37.27	42.48
Denver	36.53	38.77	44.27	46.10	52.55
Detroit	27.52	29.20	33.34	34.72	39.58
District of Columbia	30.68	32.55	37.17	38.71	44.12
Houston	31.73	33.67	38.45	40.04	45.63
Los Angeles	41.65	44.20	50.47	52.55	59.91
Miami	31.34	33.26	37.98	39.55	45.08
Milwaukee	31.07	32.97	37.65	39.20	44.68
Minneapolis	32.45	34.43	39.31	40.94	46.66
New York City	41.38	43.91	50.14	52.21	59.51
Pittsburgh	30.19	32.04	36.58	38.10	43.43
St. Louis	29.17	30.95	35.34	36.80	41.95
San Diego	29.04	30.82	35.19	36.65	41.77
San Francisco	34.79	36.92	42.16	43.90	50.04
Seattle	32.01	33.97	38.79	40.39	46.04
20-CITY AVERAGE	31.66	33.60	38.36	39.95	45.54
NATIONAL AVERAGE	30.10	31.94	36.47	37.98	43.29

Compact Car Costs by City -- Ranked

1.	Los Angeles	44.20¢
2.	New York	43.90
3.	Denver	38.77
4.	San Francisco	36.92
5.	Minneapolis	34.43
6.	Seattle	33.97
7.	Houston	33.67
	20-CITY AVERAGE	33.60
8.	Miami	33.26
9.	Chicago	33.04
10.	Milwaukee	32.97
11.	District of Columbia	32.55
12.	Pittsburgh	32.04
13.	Boston	31.97
	NATIONAL AVERAGE	31.94
14.	Dallas	31.34
15.	Atlanta	31.27
16.	St. Louis	30.95
17.	San Diego	30.82
18.	Cleveland	29.44
19.	Detroit	29.20
20.	Cincinnati	27.24

HERTZ ESTIMATES OF 1979 PASSENGER CAR OWNERSHIP & OPERATING COSTS IN KEY U.S. CITIES
"Compact" Car Kept 3 Years & Driven 10,000 Miles Per Year in Cents Per Mile

CITY	Nat.Av.	20-City Av.	Atlanta	Boston	Chicago	Cincinnati	Cleveland	Dallas	Denver	Detroit	Dist.Col	Houston
Purchase Price	$5079	$5136	$5094	$5143	$5041	$5056	$5021	$5093	$5206	$4939	$5048	$5093
Annual Depreciation	12.87¢	12.98¢	12.90¢	13.04¢	12.77¢	12.81¢	12.72¢	12.90¢	13.18¢	12.51¢	12.79¢	12.90¢
Ins.,Lics., Fees	6.43	7.31	6.08	5.78	6.58	2.89	3.38	4.76	11.16	3.65	5.85	8.24
Interest Costs	3.79	3.85	3.38	3.71	3.07	3.52	4.29	4.20	4.24	3.57	3.71	4.07
"Fixed" Cost Subtotal	23.09¢	24.14¢	22.36¢	22.53¢	22.42¢	19.21¢	20.39¢	21.87¢	28.59¢	19.72¢	22.35¢	25.22¢
Maintenance & Repairs	2.07¢	2.40¢	2.04¢	2.41¢	2.74¢	1.65¢	2.21¢	2.69¢	2.90¢	2.22¢	2.76¢	2.03¢
Gas,Oth.Ser.Stn Chgs	6.78	7.06	6.87	7.05	7.87	6.38	6.84	6.78	7.28	7.25	7.45	6.43
"Variable" Cost Subtotal	8.85¢	9.46¢	8.91¢	9.45¢	10.61¢	8.03¢	9.05¢	9.47¢	10.18¢	9.48¢	10.21¢	8.46¢
TOTAL FIXED & VARIABLE	31.94¢	33.60¢	31.27¢	31.97¢	33.04¢	27.24¢	29.44¢	31.34¢	38.77¢	29.20¢	32.55¢	33.67¢

CITY	L.A.	Miami	Milwaukee	Minpls	N.Y.C.	Pittsburgh	St.Louis	San Diego	San Francisco	Seattle
Purchase Price	$5287	$5086	$4992	$5029	$5268	$5100	$5063	$5619	$5683	$5157
Annual Depreciation	13.40¢	12.89¢	12.65¢	12.74¢	13.35¢	12.92¢	12.82¢	13.58¢	13.73¢	13.07¢
Ins.,Lics., Fees	16.23	8.11	7.78	7.23	16.63	7.85	3.97	4.09	7.58	8.33
Interest Costs	4.52	3.59	3.63	4.10	4.03	3.02	4.50	3.73	4.64	3.49
"Fixed" Cost Subtotal	34.15¢	24.58¢	24.06¢	24.07¢	34.01¢	23.79¢	21.29¢	21.40¢	25.95¢	24.89¢
Maintenance & Repairs	2.65¢	2.08¢	2.07¢	2.96¢	2.57¢	1.81¢	2.41¢	2.31¢	3.17¢	2.25¢
Gas,Oth.Ser.Stn Chgs	7.40	6.60	6.85	7.40	7.36	6.44	7.26	7.11	7.79	6.83
"Variable" Cost Subtotal	10.06¢	8.68¢	8.91¢	10.36¢	9.90¢	8.25¢	9.66¢	9.42¢	10.97¢	9.08¢
TOTAL FIXED & VARIABLE	44.20¢	33.26¢	32.97¢	34.43¢	43.91¢	32.04¢	30.95¢	30.82¢	36.92¢	33.97¢

NATIONAL AVERAGE ANNUAL CENT-PER-MILE COSTS TO DRIVE 1979 COMPACTS VARYING USE PERIODS AND ANNUAL MILEAGES

Use Years	Miles Per Year 10,000	15,000	25,000
1	33.71¢	25.26¢	18.81¢
2	33.06	25.09	18.81
3	31.94	24.37	18.50

Use Years	Miles Per Year 10,000	15,000	25,000
4	29.79¢	23.05¢	17.98¢
5	28.55	22.26	---
6	26.44	21.02	---

Use Years	Miles Per Year 10,000	15,000	25,000
7	24.90¢	No Data for	
8	23.79	Distances	
9	22.95	Over 100,000	
10	22.35	Miles	

COST PER MILE FOR VARIOUS SIZES OF 1979 CARS KEPT THREE YEARS AND DRIVEN 10,000 MILES PER YEAR (National Average)

Sub-compact: 30.10¢ Compact: 31.94¢ Small Mid-size: 36.47¢ "Intermediate" Size: 37.98¢ Full Size: 43.29¢